



# Doc H's Blog

Kentucky Education Commissioner  
Terry Holliday



August 17, 2012

## The Debates on School Budgets Continue

U.S. Secretary of Education Arne Duncan to the American Enterprise Institute on November 17, 2010:

"I am here to talk today about what has been called the New Normal. For the next several years, preschool, K-12, and postsecondary educators are likely to face the great challenge of doing more with less.

"My message is this challenge can, and should be, embraced as an opportunity to make dramatic improvements. I believe enormous opportunities **for improving the productivity of our education system** lie ahead if we are smart, innovative, and courageous in rethinking the status quo.

"It's time to stop treating the problem of educational productivity as a grinding, eat-your-broccoli exercise. It's time to start treating it as an opportunity for innovation and accelerating progress."

I have used this quote in numerous presentations, and Secretary Duncan was our keynote speaker for the Productivity and Efficiency Conference in November 2011 in Louisville. The reality of this quote has been hitting our school districts for a number of years, and the fiscal year 2013-14 state and local budgets appear to be the most difficult in recent history.

I recently read a [report](#) from the Fordham Institute entitled *How Americans Would Slim Down Public Education*. This report represents feedback from surveys and focus groups conducted by the Fordham Institute. The recommendations from the report are as follows:

- 1) Shrink the administration.
- 2) Freeze salaries to save jobs.
- 3) If teachers must be laid off, base it on their effectiveness, not years of service.
- 4) Opt for larger classes taught by excellent teachers rather than smaller classes with instructors of unknown ability.
- 5) Move from traditional pensions to individual retirement plans.

The purpose of this blog is not to support this particular report but to highlight the national and state debates concerning school funding. Readers also should be familiar with the possible

federal cuts to education from sequestration that I [warned](#) about, the work that the Kentucky Education Advocacy Team (KEAT) has [done](#) on the state education budget and the [work](#) of the Kentucky Chamber of Commerce.

There are only three methods that I am aware of with regard to budgets. First, we must ensure all of our processes in education are efficient and productive. Second, we must redirect existing dollars from programs that are not efficient and productive to programs that are working. And third, we must look for additional revenue sources dedicated to effective programs. Working on only one method or cutting across the board are not strategies that will work in the long term.

These next two years are going to be extremely difficult budget years given the loss of federal stimulus dollars, possible federal sequestration, state budget cuts, the pending pension crisis, rising health care costs and increasing demands on schools. Leaders and policy makers need a balanced perspective when making decisions that impact teaching and learning.

Terry Holliday, Ph.D.